

Statement of Congresswoman Maloney  
Asset Management Bill  
September 25, 2007

Mr. Chairman I thank you for recognizing me and I would like to speak in support of H.R. 3521, a bill to provide flexibility to public housing agencies as they make the transition to asset management.

The nation's public housing system is in the process of a major administrative transformation as public housing agencies (PHAs) move from managing their portfolios on an agency-wide basis to a system in which they administer each development on a project-level basis.

It is the largest change to the way public housing is operated in more than 30 years.

This system, known as "asset management," is based on the Federal Housing Administration (FHA) multi-family model and is required by the Public Housing Operating Fund Final Rule. The Final Rule was developed via negotiated rulemaking between the Department of Housing and Urban Development (HUD) representatives from key industry groups, and several PHAs.

While many agree that it is desirable for PHAs to move to asset management, the disagreement arises over how this transition is implemented, particularly with respect to how PHAs' management fees are set and how much flexibility they will have to retain some centralized operations.

I know that in New York City, our housing authority has expressed particular concern about both of these issues and they continue to feel as if they are being forced to adhere to ever changing and unclear rules as they attempt to transition to asset management.

The bill before us today would ease the regulatory burden on public housing agencies by:

- (1) ensuring that the management and related fees established by HUD are reasonable and that such fees become effective on or after January 1, 2011, the date by which public housing authorities are required under the Public Housing Operating Fund Final Rule to demonstrate conversion to asset management;
- (2) restating provisions of current law that permit public housing authorities to use a portion of their capital fund grant for operating expenses;
- (3) increasing the number of public housing authorities that are exempt from mandatory conversion to asset management; and
- (4) encouraging the participation of public housing residents in the implementation of asset management.

I commend, Mr. Sires, for introducing this legislation and I urge its adoption.